

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Atlas Manufacturing

Enterprise Minnesota

Atlas Manufacturing Improves Productivity with Lean

Client Profile:

Atlas Manufacturing, based in Minneapolis, Minnesota has been serving customers for more than 50 years. The precision sheet metal manufacturer engineers and builds custom metal products for a variety of original equipment manufacturer clients across the telecommunications, retail, medical and industrial markets. Products include computer enclosures, retail displays, and industrial products. Atlas employs 75 people.

Situation:

As recession spread across the manufacturing sector, Atlas felt the effects. Sales decreased and customers began asking for shorter lead times, sometimes in as little as three days. Producing quality products remained a given, but competitive pricing also was crucial to the company's success in the Twin Cities metro area. The company decided that Atlas needed to invest in improving its processes to accommodate these new demands, but were unsure about how to proceed. They needed a solution that helped make Lean process improvement work in their business and contacted Enterprise Minnesota, a NIST MEP network affiliate, for help.

Solution:

Enterprise Minnesota worked with Atlas on a Value Stream Mapping (VSM) process that tracks work flow and total costs. A VSM looks at how the flow of work impacts the total costs, and helps develop methods to improve processes. Several Atlas employees participated and learned how minimal waste and maximized efficiency paired with best-in-class equipment would bring the most value to the customer and, over time, the best profit margin to the company. From the findings, Atlas is addressing specific areas throughout the facility through Kaizen events - or rapid improvement projects. Through its VSM, Atlas targeted projects for implementing Lean into the company's facility. Atlas identified wastes in its processes and eliminated non-value added processes, materials, and activities. As a result of Enterprise Minnesota's assistance, Atlas is accommodating shorter lead times, retaining customers, adding new business, and hiring new employees to keep up with orders. Employees are cutting down production time by making the exact number of parts specified, versus the traditional protocol of manufacturing more parts than an order calls for in case the customer orders more product at a later date. Reduced inventory has allowed the company to sell its additional 10,000 square foot storage building and free up cash.

Results:

- * Realized \$20,000 in cost savings.
- * Invested \$2 million in automation equipment.
- * Reduced lead time by 3-4 days.

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* Projected reduction of non-value added time by 40 percent.

Testimonial:

"It takes a lot of energy and a lot of work to keep communicating, but that not only keeps people on the same page, it keeps them motivated and we get better results. [Lean] is really an evolution, and I don't think there's really an end point."

John Peterson, President